



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 15, 2016

R. Shawn Helda
Falcon Isle Resources, Inc.
23 Corporate Plaza, Suite 150
Newport Beach, California 92660

Subject: Small Mine Permit Application Deficiencies, Falcon Isle Resources, Inc., Diamond Creek Phosphate Mine, S/049/0095, Utah County, Utah

Dear Mr. Helda:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining (Division) on May 31, 2016 is incomplete. The following items need to be addressed:

1. Please include Appendix B photographs that were referenced in the text.
2. The sediment pond is reported in the text as 0.68 acres and reported on Figure 1 as 0.58 acres. Please correct this discrepancy.
3. The laydown area is reported in the text as 1.38 acres and in the operation plan figure as 1.5 acres. Please correct this discrepancy.
4. Figure 6 requires a scale and elevation gridlines.
5. Please show the hydrologic features on Figure 6 discussed in the text that will be used to convey drainage to the sediment pond.
6. The text notes that the sediment pond is to be constructed west of the mine, but Figure 1 shows it constructed east of the mine. Please correct this discrepancy.
7. The reclamation plan indicates slopes are to be left at a 1H:1V slope (45 degrees), but Figure 6 shows slopes at 51 degrees. Rule R647-3-109.7 does not allow slope angles to remain steeper than 45 degrees at reclamation. Please reevaluate the designed reclaimed slope and modify Figure 6 accordingly.
8. The brown line on Figure 6 presumably denotes the topography after reclamation backfilling, but it is a little confusing because there is a regrade design angle shown in grey. Please clarify.
9. The text states that the final regraded slope angle will be an overall angle of 25 degrees. Based on Figure 6, the Division calculated an overall angle of 29 degrees. Please reevaluate and clarify.



Diamond Creek Phosphate Mine

Page 2 of 2

S/49/0095

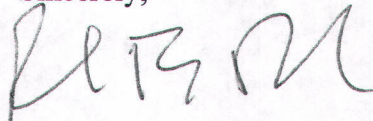
June 15, 2016

10. Please note that final reclamation of slopes at an approximate angle of 1.7H:1V - 2H:1V is permitted within the Division's rules, but the U.S. Forest Service may have more stringent standards for final slopes at reclamation.

In cooperation with the Forest Service, the Division will calculate the required reclamation surety after receiving a corrected NOI then issue tentative approval stating the required surety amount. Final approval will be given after the Division receives the complete NOI, an acceptable surety, and a signed and notarized reclamation contract.

Please contact April Abate at 801-538-5214 or me at 801-538-5261 if you have questions regarding this letter. In reply please refer to file number S/049/0095.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB: aa: eb

cc: George Garcia, USFS, gogarcia@fs.fed.us

Jim Carter, Logan Simpson, JCarter@logansimpson.com

P:\GROUPS\MINERALS\WP\M049-Utah\S0490095-DiamondCreek\final\DEF-7392-06132016.doc